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October 10, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: Department of Telecommunications and Energy/Energy Facilities Siting Board,
D.T.E. 98-84/EFSB 98-5

Dear Secretary Cottrell:

NSTAR Electric (the "Company") hereby submits its reply comments concerning an investigation by the Department of Telecommunications and Energy (the "Department") and the Energy Facilities Siting Board (the "EFSB") into whether a proposed "alternative process" designed as a substitute for the filing of long-range forecasts under G.L. c. 164, § 69I is in the public interest. On September 12, 2002, in response to the request for comments issued by the Department/EFSB, the following entities submitted initial comments: Fitchburg Gas and Electric Light Company; National Grid; NSTAR Electric; Western Massachusetts Electric Company and the Distributed Generators.¹ Additionally, interested participants presented testimony at a public hearing conducted on September 26, 2002.

NSTAR Electric reiterates its support of the Department/EFSB's proposal to: (i) exempt electric companies from the obligation to file biennial long-range forecasts; and (ii) rescind the regulations governing Integrated Resource Planning, 220 C.M.R. §§ 10.00 et seq. In its reply comments, NSTAR Electric will limit its discussion to issues concerning long-range planning horizons and evaluating the need for transmission projects.

As detailed in its initial comments and as presented in its testimony, NSTAR Electric believes that the Department/EFSB's proposal to require the filing of peak demand-load forecasts (including detailed studies on power flows and voltages under

¹ The Distributed Generators include: RealEnergy; the Joint Supporters; Hess Microgen; Nuvera Fuel Cells; North Battery Development LLC; and Berkshire Development LLC.

various conditions, information on the identification of critical loads (such as hospitals and schools), and an inventory of significant reliability and infrastructure improvement projects) will help to ensure that the Department/EFSB have the information necessary to evaluate forecasted customer requirements and system capabilities and to review a company's planned improvement projects. However, as discussed in its initial comments and at the public hearing, NSTAR Electric recommends modifying the Department/EFSB's proposal to use a five-year planning horizon, instead of the 10-year time frame proposed.

From NSTAR Electric's perspective, planning for distribution-system upgrades beyond a three-to-five-year horizon would involve a high level of speculation as to the need for future system improvements to particular areas and how the Company would eventually configure the system to meet those needs. At the public hearing, National Grid stated its support of NSTAR Electric's recommendation to shorten the planning horizon to five years. National Grid concurred with NSTAR Electric that five years is the appropriate time frame to use to identify areas where system-reliability improvements are required and where there is a high certainty that those improvements will be implemented (Tr. at 18-19, 25-26). Accordingly, NSTAR Electric recommends that any forecast filed with the Department/EFSB be designed using a five-year planning horizon.

Concerning the Department/EFSB's proposal for the submission of a company's transmission needs,² in initial comments all of the electric companies agreed that the need for a transmission project should be determined on a project-specific basis. As outlined in its initial comments, NSTAR Electric stated that transmission projects may be undertaken to: (a) meet load growth or reliability consideration on the utility's system; (b) support new generating facilities proposed by third-party developers; and (c) enhance efficient and reliable transmission of electricity throughout the region (NSTAR Electric Initial Comments at 11). Thus, because of the highly integrated nature of the New England bulk transmission system, NSTAR Electric recommended that the need for transmission projects intended for the transfer of bulk power be derived from the information contained in ISO-New England's five-year statement. NSTAR Electric's recommendation is consistent with the analysis conducted currently by ISO-New England. Specifically, as discussed at the public hearing, ISO-New England prepares a Regional Transmission Expansion Plan ("RTEP") wherein it outlines the power and economic needs of the New England region and lists transmission projects that the ISO-New England deems adequate and appropriate to address those reliability and economic needs of the region (Tr. at 42). The RTEP accounts for the ensuing five-year load or demand and capacity forecast, proposed generation additions and retirements, proposed merchant transmission facility additions, and the requirements for system restoration

² Under the Department/EFSB's proposal, each electric company would file a description of all transmission projects planned to be built within, or partially within its service territory in the following three years. Additionally, each electric company would be required to provide information on transmission projects that the company anticipates may become necessary within three to ten years of the filing (Request for Comments, D.T.E. 98-84/EFSB 98-5, at 5-6).

services (id.). The RTEP also identifies any projected need for transfer capability during or before the five-year period for which upgrades have not been identified (id. at 46-47). Accordingly, NSTAR Electric submits that this information is adequate to establish transmission need and that the Department/EFSB could rely on this data as part of its investigation into a distribution company's transmission requirements.

NSTAR Electric appreciates the opportunity to comment on the important issues raised in this proceeding and remains committed to assisting the Department and the Energy Facilities Siting Board to meet its goals to ensure the safety and reliability of each company's electric distribution system and to evaluate the need for transmission projects. If NSTAR Electric can provide any additional information to the Department or the Energy Facilities Siting Board concerning these matters, please contact me.

Very truly yours,

David S. Rosenzweig

cc: William H. Stevens, Hearing Officer
Selma Urman, Hearing Officer
Diedre Matthews, Director, Energy Facilities Siting Board
Ronald LeComte, Director, Electric Power Division
Robert Harrold, Assistant Director, Electric Power Division
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